

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**SPECIAL EMERGENCY SESSION
February 1, 2006**

The Board of Supervisors of Maricopa County, Arizona convened at 1:20 p.m., February 1, 2006, in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Don Stapley, Chairman, District 2; Fulton Brock, Vice Chairman, District 1; Andy Kunasek, District 3, Max W. Wilson, District 4, and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Administrative Coordinator; David Smith, County Manager; and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-no-absent-abstain.

EMERGENCY SESSION CONVENED

Chairman Stapley recessed the special meeting to convene an emergency meeting of the Board of Supervisors at 1:20 p.m. to hear a report on the potential sale of a real estate asset by officials at Maricopa County Regional School District No. 509.

Tom Irvine, outside counsel, stated that information regarding an imminent sale of a valuable property had been reported by a sheriff's deputy shortly before noon today and that only sketchy details were available. The School District owns property near Orangewood and 65th Avenue that was listed for sale within the past week or two. He said no signed listing agreement could be found in the District's files but emails within the last 24 hours indicate there are potential buyers for this property, which has a substantial value of \$2 million. Mr. Irvine read the following emergency resolution:

**Emergency Resolution Regarding Maricopa County
Regional School District No. 509 Potential Sale of Real Property**

Whereas the Board of Supervisors learned within the last two hours that the Maricopa County Regional School District No. 509 ("District") is in the process of entering into a real estate listing agreement for an asset of the District located in the general vicinity of 65th Ave and Orangewood, and

Whereas the Board of Supervisors has also learned that the potential sale of this asset may be in process, and

Whereas this is deemed to constitute an emergency pursuant to the Arizona Open Meeting law,

Now Therefore be it resolved that the Board of Supervisors directs the County Manager to take all lawful steps to protect and secure the real property asset of the District until such time as the legality and details of any potential sale are known and reported in a public meeting, and

Be it Further resolved that the Board requests and demands that the Superintendent of the District, Dr. Sandra Dowling, and all staff, agents, brokers, and other representatives of the District take no action to divest the District of this asset until further notice.

Adopted this 1st day of February 2006.

/s/ Don Stapley, Chairman of the Board

ATTEST:

/s/ Fran McCarroll, Clerk of the Board

Mr. Irvine continued, "What we know from the affidavit the sheriff's office filed to obtain a search warrant, is that the broker who was awarded the listing agreement is a broker where Superintendent (of the District Schools) Sandra Dowling apparently serves as an agent." He indicated that a conflict may or may not

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have been disclosed to the committee that recommended awarding the listing to this broker. He added that members of this committee contacted so far, who are all employees of the school district, apparently were not aware of the conflict of interest. Final approval of the sale was to be made by Superintendent Dowling, who serves both as the Superintendent of Schools and the single governing board member for the Regional School District.

He said it was felt that the Board of Supervisors should be aware of all the issues and facts of the matter before this multi-million dollar asset was divested. He added that sketchy information had been received of a plan to trade this asset or take the money from the sale and purchase another asset. He said, "It may turn out in a couple of days that everything was done properly, but at the moment we have no clear idea, and this sale appears to be imminent."

In response to an inquiry from Chairman Stapley on the listing commission for the sale, Mr. Irvine said he'd only seen the document briefly and it appeared to have an 8% commission, "which would be a substantial amount of money for a raw-land sale of \$2 million."

Chairman Stapley said that the sheriff's investigators had reported to him on their review of the procurement committee's minutes and there had been no disclosure of any sort in that document relating to Superintendent Dowling's licensure or possible involvement in both sides of this sale. Members of that committee have indicated that they only received one bid to list the property, and had they known Dr. Dowling was a licensed real estate agent with the broker submitting that bid they would never have awarded the listing to him. Mr. Stapley added that on learning of this problem, committee members had asked the real estate broker who listed the property not to go forward with the sale and the broker replied that he had the listing and was going to do the deal. Chairman Stapley added that several committee members had asked the County to take some kind of action to help stop the sale.

Supervisor Wilson asked that this property's address be identified so a public notice could make people aware of the restriction on it. Mr. Irvine indicated that a legal description could be added to the resolution and this was agreed to.

Motion was made by Supervisor Wilson and seconded by Supervisor Kunasek to approve the resolution with a legal description attachment and that the complete document be taken to the Recorder's Office immediately.

Supervisor Wilcox asked if there was anything else that could be done to stop Superintendent Dowling from taking these kinds of actions.

Mr. Irvine said that the team assigned to this matter is working to try to isolate the assets of the District, review transactions recorded in the checkbook and try to ascertain revenue sources and balances as quickly as possible. He added that things are unfolding at a rapid pace and findings would be reported to the Board in a timely manner.

Motion to approve the above resolution passed unanimously (5-0). The signed resolution, including the following legal description, is on file in the Clerk of the Board's Office.

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**EXHIBIT
To the Resolution Entitled
“Emergency Resolution Regarding Maricopa County
Regional School District No. 509 Potential Sale of Real Property”**

**Legal Description
Maricopa County Regional School District # 509
APN 143-31-001**

**Lot 12, HADSELL’S ADDITION TO GLENDALE, according to Book 2 of
Maps, Page 10, records of Maricopa County, Arizona**

**Also known as:
6550 W. Oranewood Ave. Glendale, AZ.**

MEETING RECESSED

There being no further business to come before the Board on this issue, the special emergency session was adjourned.

Don Stapley, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board